

## Buying/Selling Simultaneously Requires the Right Strategy

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**B**y far, the most frequently asked question in my experience is, “How can I time the sale of my existing home to fund the purchase of a new one—and still keep a roof over my head?”

Without a doubt, there are advantages for buyers who have the ability to purchase a new home outright, with no pressure to sell their existing residence. Yet, even those who face the task of buying *and* selling simultaneously can do so with careful timing and a few well-played strategies. It's easier to consider these scenarios with a good understanding of the financial situations of different homebuyers.

Buyers who have the means to purchase with 100 percent cash have an enormous advantage in getting sellers to accept their offers and finalize transactions quickly. They can move in on their own timeline and list their existing home for sale accordingly. Others with a huge advantage are buyers who qualify for a new home loan while maintaining their existing home loan. There are also those who want to finance a purchase, but who have funds in hand for a down payment and all closing costs—and who have or can afford temporary housing—allowing them to vacate their existing home in the interim.

The purchasing advantage to these buyers is clear, and—because they can move into a new location right away—they then have a selling advantage as well. An existing home can be staged and shown conveniently without occupants, and offers may be entertained without desperation for funds to complete the seller's own new home purchase. Of course, those sellers may still hope for, or need, a quick sale, but its timing does not impinge on the deal for the new home.

For buyers with less than all cash, the greater the down payment, the greater advantage the buyer has. This is due to the known difficulty in obtaining loans and the fact that lenders gauge their risk according to the borrower's loan-to-value percentage. A buyer offering 60 percent has an easier lending process ahead and far better chances of acceptance of an offer than one offering 30 percent. Buyers should, of course, use accessible funds to their advantage. Even so, those who do not have the ability to raise the stakes with cash can use other terms and contract conditions to sweeten their offers.

In most instances, however, interested home buyers do not have funds immediately available to make these types of offers and, instead, are dependent on uti-



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lizing funds from their existing home sale. In these situations, homeowners willing to collaborate with an expert agent can skillfully manage the timing of each step in the process and make the transactions work out on both sides.

Relatively few homeowners, particularly in this low-inventory market, feel confident selling their home prior to identifying a replacement property. For those who can, however, those buyers can exercise the advantage of listing their own home and getting a solid offer, and even contingencies removed, before making an offer on a home to buy. Buying from the available inventory once the contingencies on the previous residence are removed enables a buyer to move quickly through the purchase. This approach can be particularly facile for buyers moving from out of the area. Because they are willing to sell first and then buy from the available inventory, it's quite possible to time the sale—and access its funds—prior to the closing of the new home.

On the other hand, buyers who have very specific needs or dreams of an ideal home find options a little more complicated when the right house suddenly appears. These homeowners may need specific roominess for an expanding family, a feature such as an ocean view or a pool, may have lived in a kid-friendly house and now want more amenities for their “empty nest,” or have adopted another, specific lifestyle change.

As soon as those buyers make an offer on that perfect new home, they should be very tactical to ensure their existing home sells on time:

**GO WITH A TOP, TOP, LOCAL AGENT.** An agent who has a successful finish line in sight can always make the deal work, and the better the agent, the easier each step. Someone who is well regarded by agents in the industry, as well as the local area, will also be more likely to elicit flexibility and collaboration from the buying party's real estate agent.

**ACT FAST.** The existing home must be listed as soon as possible. Every move that delays its sale can derail a smooth transaction on the buying side.

**FOLLOW YOUR AGENT'S ADVICE ABSOLUTELY.** Experience and know-how are key to facilitating every contractual detail, every repair issue and the ever-critical home pricing. Well-priced homes truly sell without fail in this market, but remember: the market determines values, not sellers.

**DETACH ALL EMOTION FROM THE EXISTING PROPERTY.** Now that you have a new place to call home, consider the existing house solely as a stepping stone toward your new property. Though easier said than done, allow your agent to help you view your actions as investment steps toward ensuring you receive top dollar for your sale.

**INCLUDE A LEASEBACK.** Flexible buyers will likely make your existing home available to you as a rental property if needed for a short period of time after the sale.

**WRANGLE A CONTINGENCY.** On very rare occasions and with an agent of the highest professional regard, it may be possible to include the close of your new home within the contractual terms of the existing home sale.

**COMMIT TO YOUR PLAN.** Sellers who have complete determination with every step of the process definitely have the best chances for success.

It's true that these issues are not without stress for homeowners. The good news is that dreams of a new home can be a reality for people who make a goal and put their trust in the professionals who know the way.

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